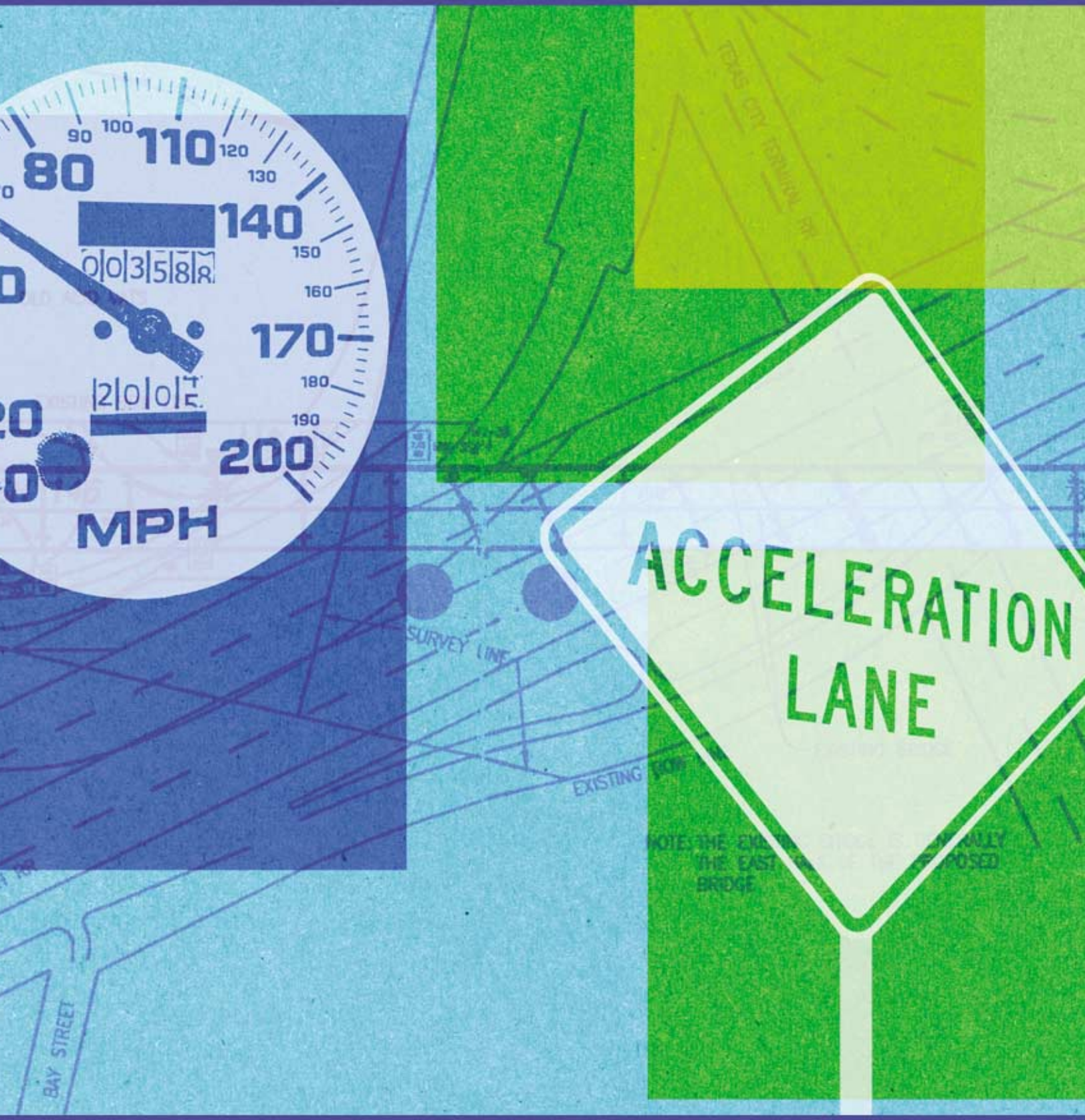
TEXAS DEPARTMENT OF TRANSPORTATION

Tomorrow's Transportation System



Strategic Plan 2005-2009

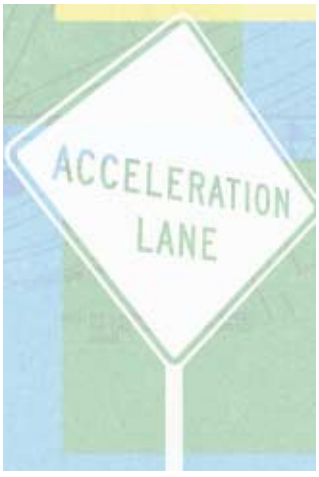
Executive Summary

We are now beginning a third revolution in providing transportation infrastructure for the state of Texas to better meet the emerging economic, population and financial realities of the 21st century.

The first revolution was in 1917 when the Texas Legislature established the Texas Highway Department to be responsible for planning, construction and maintenance of the state highway system; it was initially funded by vehicle registration fees, supplemented by the beginning of a state fuel tax in 1923.

The second revolution was in the 1950s as the state transitioned from a rural to a metropolitan society, and Texas was one of the first states to implement the federal interstate system to connect its major cities. Texas took advantage of federal matching highway funds to accomplish this.

This third revolution in transportation infrastructure consists of several fundamentally new strategies developed and established by Governor Rick Perry, the Texas Legislature and the Texas Transportation Commission. The first new strategy consists of "devolution" of project prioritizing to the regional level to better meet the diverse regional-level transportation needs and concerns. The second new strategy consists of funding new capacity projects through toll revenues, again to better match the regional and local beneficiaries to the true costs of the highway improvements; current state fuel tax revenues are entirely consumed by the cost of maintenance of the current statewide system—draining funds for construction of new capacity or other major improvements. The third new strategy consists of expanding transportation planning to include modes other than automobiles, such as commuter/freight rail and other transit options; the escalating costs of highway construction and automobile fuel have made these other options economically favorable in many local situations already—and a number of these are expected to increase statewide in the near future.



Since the Texas Legislature passed the landmark HB 3588, the Texas Department of Transportation has embarked on an aggressive implementation program—the regionally driven "9050 Plan" that accelerates 90 percent of the metropolitan mobility projects 50 percent faster (more about this on page 7) was approved in October and financed in November 2004. The Transportation Commission followed that in December by announcing its intention to begin negotiations with Cintra, Concesiones de Infraestructuras de Transporte, S.A., to build a segment of the Trans-Texas Corridor from San Antonio to Dallas in a record-breaking five years. Cintra's proposal offers over $7 billion in new infrastructure at no cost to the state. Also in that same month the agency announced that it would leverage the new Texas Highway Safety Bonds to hasten the delivery of $600 million of safety projects throughout the state.

The Texas Department of Transportation is moving forward. Momentum is ramping up and this strategic plan sets the framework to sustain it over the next five years.

2005-2009 Strategic Plan

January 2005

Table of Contents

Texas Department of Transportation
Legislative Affairs Office
125 E. 11th St., Austin, TX 78701

Phone: 512-463-6086
Fax: 512-463-9389
Web site: www.dot.state.tx.us

Safety, Quality and Accountability

The highest standards in each of these three principles must work in concert for the Texas Department of Transportation to carry out its assigned responsibilities successfully. The department expects it and the public deserves it.

Mission

To provide safe, effective and efficient movement of people and goods.

Vision

To be a progressive state transportation agency recognized and respected by the citizens of Texas.

- Providing comfortable, safe, durable, cost-effective, environmentally sensitive and aesthetically appealing transportation systems that work together.
- Ensuring a desirable workplace which creates a diverse team of all kinds of people and professions.
- Using efficient and cost-effective work methods that encourage innovation and creativity.
- Promoting a higher quality of life through partnerships with the citizens of Texas and all branches of government by being receptive, responsible and cooperative.

To help TxDOT focus on the areas of greatest importance and potential benefits to the citizens of Texas, and make it easier for the public and elected officials to evaluate TxDOT's effectiveness, the department has simplified its objectives to five categories:

Objectives:	Goals:
▪ Reliable mobility	▪ Ensuring that people and goods move efficiently
▪ Improved safety	▪ Reduce roadway fatalities
▪ System preservation	▪ Maintain and improve existing roads and bridges
▪ Accelerated project delivery	▪ Complete projects faster
▪ Economic vitality	▪ Attract and retain businesses and industry

TxDOT also simplified its operations to five major categories:

Plan It: Includes all planning, designing, right of way acquisition for highways and other modes of transportation, and transportation research that saves lives and money

Build It: Includes highway and bridge construction and airport improvements

Use It: Includes public transportation, vehicle titles and registration, vehicle dealer registration, motor carrier registration, traffic safety, travel information and auto theft prevention

Maintain It: Includes roadways, bridges, airports, the Gulf Intracoastal Waterway and ferry systems

Manage It: Includes central and regional administration, information resources, financial matters and other support services

Tomorrow's Transportation System

In 2003, the Texas economy became the eighth largest in the world. It is dependent on the safe, efficient movement of people and goods across a complex multi-modal transportation system. The challenge facing the Texas Department of Transportation (TxDOT) is to manage and maintain its part of that system and, while facing funding constraints from traditional sources, develop innovative solutions to meet the wide variety of transportation needs of the 21st century. This document offers a strategy for beginning this new phase in the evolution of the department.

Then, in a sense, Texas became a victim of its own economic success. Over the 30 years that followed, traffic volumes increased by 200 percent, the state population grew by 90 percent—but the capacity of the system gained only 20 percent.

The Texas Highway Network comprises several categories of road, from low volume rural networks to high volume toll systems. The last evolutionary change as great as the one now facing the department occurred in the 1950s when Texas began to move from a rural to a metropolitan based society. The State Highway Department Highway Engineer at that time, Dewitt Greer, masterminded this transition with great success. He first positioned the department to take advantage of matching federal funds and had a number of plans ready for the Texas sections of the National Defense Highway System (or interstate highway system) when it was signed into law in 1956—so that the state was one of the first to begin building this new form of highway. The economies of the cities linked by the system led to demographic changes unforeseen at that time. Under Greer's leadership, highway projects added more than 2,000 new center-lane miles to the state system per year. By the 1970s the intercity system, as we know it today, was largely in place.

Then, in a sense, Texas became a victim of its own economic success. Over the 30 years that followed, traffic volumes increased by 200 percent, the state population grew by 90 percent—but the capacity of the system gained only 20 percent. Texans became used to a high degree of motor vehicle mobility; companies locating in Texas, or using national and international transportation corridors through Texas, enjoyed high levels of highway service. In the 1990s this began to change when traditional funding could no longer match the increasing demand for highway use. Accordingly, new avenues are now being explored including public-private partnerships within all modes of transport, and toll roads for specific highway capacity needs.

The challenges facing the department are to work with a variety of partners to develop metropolitan systems capable of offering mobility through a variety of modes, and to link those areas via efficient transportation corridors. This is to be undertaken while maintaining the system of rural roads and connectors to intermodal points such as airports, marine ports and our state borders. It is a challenge Dewitt Greer would have relished and requires a transition as great as the one experienced in the 1950s. The Strategic Plan addresses future transportation needs by combining that which has worked well—like the fuel taxes—with that which will support the innovative transportation programs necessary to meet future growth. Why is this change necessary? Succinctly, the federal and state fuel taxes have not been keeping pace with state transportation needs.

Part 1

The situation will only worsen with the increasing adoption of more fuel-efficient vehicles. The state fuel tax has not changed since 1991, even though the infrastructure provided by the department has risen greatly in cost. Crucially, the gas tax can no longer support everything: the maintenance, rehabilitation, reconstruction—and the provision of additional highway capacity.

The Trans-Texas Corridor

The Trans-Texas Corridor will allow for much faster and safer transportation of people and goods. It will relieve congested roadways. It will keep hazardous materials out of populated areas. It will help improve air quality by reducing emissions and provide a safer, more reliable utility transmission system. It will keep Texas' economy vibrant by creating new markets and jobs.

Mindful of the need to keep Texas moving, the Commission has undertaken a multi-stage review process to raise departmental efficiency and enhance state transportation planning. In 2001, then-Chairman John W. Johnson convened a working group to develop key objectives and ways to measure the effectiveness of the department. Targets and measurable goals were devised for mobility, safety, system preservation, project delivery and economic vitality. Next, key activities within the department were revised, including simplifying the transportation planning and programming process, and absorbing the Texas Turnpike Authority into the department. Directions from the Governor and Legislature also provided other new planning and financing instruments, including the Texas Metropolitan Mobility Plan, the Texas Mobility Fund and Texas Highway Safety Bonds. More on these will be offered in later parts of this document, but one crucial element deserves comment here since it demonstrates the changes contained in this Strategic Plan. Metropolitan areas require multi-modal, complex and expensive programs that cannot be sustained through fuel tax revenues alone. To address these needs, the Texas Metropolitan Mobility Plan guarantees metropolitan areas steady and predictable funding from the available revenues. The Commission now delegates much of the decision making to the regions and measures two issues: congestion mitigation and leveraging baseline funds.

The plan stresses partnering and regional leadership, since construction will no longer be wholly governed by the department and its planning and programming processes. Sharing the responsibility allows communities to have a role in determining the appropriate mix of highway projects based on local needs, funding sources and values.

In 2003 came the most far-reaching piece of transportation legislation in recent years with the passing of House Bill 3588. This law contained a variety of initiatives altering the highway planning processes in Texas and provided an opportunity for communities to plan infrastructure projects. HB 3588 provides a "portfolio" approach to funding needs, comprising a range of financial instruments underpinned by the traditional gas and diesel taxes—as well as new sources. With a wide variety of instruments (described in other parts of this document), its focus is to allow communities to select those projects most suitable for their needs. It also supports the construction of toll roads to provide added capacity at higher levels of service in those areas currently facing unacceptable levels of congestion.

HB 3588 provides a "portfolio" approach to funding needs, comprising a range of financial instruments underpinned by the traditional gas and diesel taxes—as well as new sources.

One fundamental result of this legislation is to move the department away from regional and local decision-making and allow it to focus on the needs of the entire state and its role in the U.S. economy. This is best exemplified by the interest in corridor systems—critical elements of the state and regional economies. Texas benefits from, and carries to other states, a substantial portion of the NAFTA trade. Rail and highway corridors link deep-water ports on the Gulf to those on the other coasts and to regional markets. The rural corridors are being addressed through the Texas Trunk System and the extension of the current interstate system through the planning of I-69. To maintain economic competitiveness and address future travel needs, the Governor proposed the Trans-Texas Corridor (TTC) program. This 21st century project will complement the interstate highway system and provide well into the future a consistently high level of service from a variety of modes transporting people, goods and services across the state.

This ambitious program will be built in stages through public-private partnerships, heralding a new way of addressing the transportation needs of Texans.

The Strategic Plan that follows builds on what worked best in the past, incorporates what can be modified and changed at the present and positions the department to play a future enhanced role in meeting its mission well into the century.

PART 2

Objectives, Goals, Challenges and Strategies

Introduction

In 2001, a working group set five objectives for the agency to measure performance:

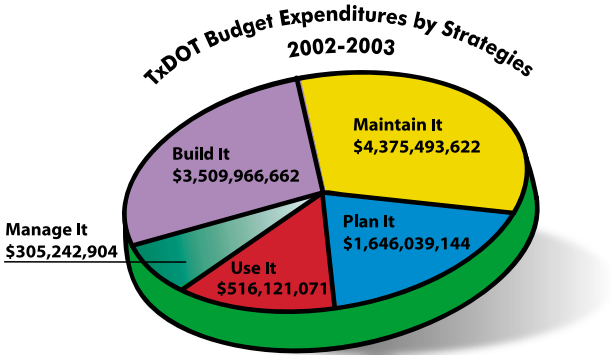
- Reliable Mobility
- Improved Safety
- Responsible System Preservation
- Accelerated Project Delivery
- Economic Vitality

Congestion Continues to Worsen

Since 2000, the population of Texas has increased by 1.3 million people, or 6.1 percent; this is the equivalent of adding a city the size of San Antonio in three years. Compare this to the U.S. growth rate of only 3.3 percent over the same period. A large part of the increased population is focused in urban areas. The 34 counties that comprise the metropolitan areas of Dallas/Fort Worth, Houston, San Antonio, Austin and El Paso saw a combined increase of 1.1 million people in just three years, 83 percent of the state population growth during that time. More people mean more drivers on already congested urban roads.

A number of challenges need to be overcome in reaching these objectives. Not least, the gas tax is simply not keeping pace with the vehicle miles traveled on our roads (see the chart on page 22). In 2003, almost every dollar of state motor fuel taxes sent to TxDOT was spent on maintaining the system. The amount budgeted was $2.184 billion and the amount collected was $2.087 billion. With cars becoming more and more fuel efficient, the gas tax will become even less adequate in the future. It must be remembered that fuel efficient cars cause congestion just like regular vehicles do, but their drivers pay less to use the system. TxDOT has thus embarked on a new initiative to fund tomorrow's transportation system to ensure the efficient movement of both people and goods across the state. Some of the challenges will be addressed through tolling while others will be addressed through the many innovative tools brought about by HB 3588.

This section of the strategic plan will highlight the challenges the department faces in reaching each of its five objectives. It also explains how the agency's strategies apply to the challenges. These are Chairman Williamson's simplified set of fundamental strategies: **"Plan It; Build It; Maintain It; Use It; and Manage It."** When you think about it, everything the Texas Department of Transportation does falls along these lines. TxDOT is either planning something, building something, drivers are using something, TxDOT is maintaining something, or managing something. Whenever confronted with a challenge, this is how TxDOT responds.



Plan It: Includes all planning, design, right of way acquisition for highways and other modes of transportation, and transportation research that saves lives and money.

Build It: Includes highway and bridge construction and airport improvements.

Use It: Includes items like public transportation, vehicle titles and registration, vehicle dealer registration, motor carrier registration, traffic safety, travel information and auto theft prevention.

Maintain It: Includes roadways, bridges, airports, the Gulf Intracoast Waterway and ferry systems.

Manage It: Includes central and regional administration, information resources, financial matters and other support services.

Objective 1: Reliable Mobility

Goal: Ensure Texas urban and metropolitan area mobility and ensure that congestion is less than in comparable U.S. cities.

Measure of Progress since 2002: Comparison of mobility statistics for Texas cities to their peers nationwide. (Source: Texas Transportation Institute's Urban Mobility Report)

Result: While some areas have seen decreases, the overall trend in Texas is that congestion is rising. Texas urban drivers, and all drivers traveling through Texas cities, are constantly reminded of the problems of congestion: long delays, idling cars and trucks, and the associated emissions concerns. Travel and commute times are increasing nationwide, and we in Texas are not immune.

Texas urban drivers, and all drivers traveling through Texas cities, are constantly reminded of the problems of congestion: long delays, idling cars and trucks, and the associated emissions concerns. Travel and commute times are increasing nationwide, and we in Texas are not immune.

But TxDOT is working diligently to manage congestion. In 2001, Houston and Austin saw only a slight increase in the average annual delay per person compared to 1999—one hour for Houston and four hours for Austin. San Antonio saw no increase in the annual delay experienced on the city's roads, while the Dallas/Fort Worth area has actually seen a decrease in annual delay per person of five hours between 1999 and 2001.

Other cities across the nation are in a similar position. Los Angeles saw a two hour decrease in annual delay per person over the same time period. New Orleans has seen a one hour decrease in delay from 1999 to 2001. Atlanta (29 hours to 34 hours) and Orlando (26 hours to 33 hours) saw increases in annual delay per person.

The lost time has a cost, as does the fuel consumed while idling and harm from the emissions emitted. In 2001, congestion in Houston and in the Dallas/Fort Worth area cost an estimated $711 per person. In San Antonio, the congestion cost per person was $356 and in Austin it was $590.

Challenges

Congestion and a growing population

An important contributor to the congestion problems of Texas' major urban areas is the state's growing population. The U.S. Census Bureau estimated that in 2003, the state population was 22.1 million. Since 2000, the population of Texas has increased by 1.3 million people, or 6.1 percent; this is the equivalent of adding a city the size of San Antonio in three years. Compare this to the U.S. growth rate of only 3.3 percent over the same period. A large part of the increased population is concentrated in Texas' urban areas. The 34 counties that comprise the metropolitan areas of Dallas/Ft. Worth, Houston, San Antonio, Austin and El Paso saw a combined increase of 1.1 million people in just three years—83 percent of the state population growth during that time. More people mean more drivers on already congested urban roads.

Rising international trade (freight movement)

Another important component of congestion in Texas is increased international trade. In 2003, Texas exports totaled more than $98.8 billion. This is an increase of 3.6 percent from 2002. Texas leads all other states in export revenue. Most of these goods move on the roadway network at some point in the supply chain. For all commodity shipments in Texas, trucks carry 64.6 percent by value and 50.9 by weight (from the 1997 Commodity Flow Survey—the 2002 survey is due out shortly). The passage of NAFTA increased the role of Texas border crossings in U.S. commerce. In 2003, 5.3 million commercial trucks, both northbound and southbound, crossed the Texas-Mexico border carrying an estimated

$1.56 trillion in goods. The deep-water ports in Texas also move goods in and out of the United States. In 2002, 4.4 million cargo tons traversed the Texas waterway network. In most cases, these goods also require the state's roads at some point in the process.

Air quality

Motor vehicles are a significant source of ozone precursors and carbon monoxide (CO) emissions in most nonattainment areas. Cars and trucks built today produce 60 to 80 percent fewer pollutants than vehicles built in the 1960s, but still produce a significant amount of volatile organic compounds and nitrogen oxide emissions, the precursors of ozone. Today's vehicles produce up to 80 percent of the CO in urban areas. Total emissions have not decreased because of increases in the number of vehicles on the road and vehicle miles traveled (VMT). These increases have offset a large portion of the significant gains made by improved vehicle emissions technology.

The traditional response to congestion has been to add additional capacity to highways. However, this makes it a more appealing travel route, often increasing VMT on a roadway; this effect is called "latent travel demand." By solving the traffic congestion problem, mobile source emissions may actually increase in the future as a result of latent travel demand. However, the alternative (no-build) would likely aggravate the existing congestion and worsen air quality. Future VMT is dependent on regional economic and population growth, land use and transportation infrastructure changes. Because of that, forecasting VMT is subject to considerable uncertainty.

New transit responsibilities

Article 13 of HB 3588 provides the state with an opportunity to consolidate and coordinate public transportation services. The intent of the legislation is significant in scope and impact; it is to eliminate waste in the provision of public transportation services, generate efficiencies to permit increased levels of service and further the state's efforts to reduce air pollution. It is the department's objective to ensure a seamless transfer of services among the various agencies responsible for transportation of Texans.

Meeting the Challenges

Plan It

Texas Metropolitan Mobility Plan – With the advent of the Texas Metropolitan Mobility Plan, the Texas Transportation Commission will no longer fund metropolitan projects on a project-by-project basis. Instead, the 2003 Plan provides each of Texas' eight most congested metropolitan areas with funding and the flexibility to develop local regional mobility plans which consider all modes of transportation. The Commission will evaluate each of the eight areas' plans with two simple yardsticks: (1) will congestion be reduced and (2) has the area leveraged its baseline funding?

The 9050 Plan – In November 2004, the Commission began the first wave of funding associated with the Texas Metropolitan Mobility Plan. Funds to fight urban congestion in our eight largest metropolitan areas will more than double during the next 12 years (2004-2015). As a result, nearly 90 percent of the metropolitan mobility projects planned for the next 12 years can begin in half the time. Ninety percent of the projects in 50 percent of the time—or the "9050 Plan."

Using just traditional transportation funding based on gas taxes and vehicle registrations, funds to reduce urban congestion would have been limited to $6.8 billion for the 12-year period. But through financial options and innovations provided by the Governor and Legislature, which are being implemented by local officials and the Texas Transportation

Commission, mobility funding for the state's largest cities will top $15.4 billion. This demonstrates the leveraging effectiveness of HB 3588.

Toll Roads – As both the number of people and vehicles using Texas roads have increased, traditional funding sources have become inadequate in addressing the mobility and safety needs of the traveling public in a timely fashion. Toll roads will also generate future revenues that can be used to help pay for the specific project or others.

Trans-Texas Corridor – The proposed 4,000 mile multi-modal corridor embodies the vision of future infrastructure provision in Texas. It will include separate lanes for trucks and passenger vehicles, high-speed passenger rail, commuter and freight rail, and utility lines (for water, electricity, natural gas, petroleum, fiber optic cables and telecommunication lines). It will be built in partnership with the private sector and will facilitate economic development while providing congestion relief and increased safety.

The proposed 4,000 mile Trans-Texas Corridor embodies the vision of future infrastructure provision in Texas.

Building and Managing Rail – The importance of rail in reducing highway traffic congestion and in attracting new businesses to the state is widely recognized. Many manufacturing firms, offering new employment opportunities for Texans, will not locate in areas that do not have rail access in addition to highway access for trucks. For the first time ever, TxDOT can now build and manage rail in Texas.

Build It

Accelerated Border Infrastructure Provision – Then-Lt. Governor Rick Perry and former Commission Chairman David Laney announced in October 1999 a plan to speed up border trade transportation infrastructure development. The result was a $1.8 billion acceleration of projects along the border. TxDOT is now in the fourth year of that ten-year program although the price has jumped to $2.4 billion. TxDOT is committed to funding the projects in the border area.

Use It

Increase Transit Options – With its new transit responsibilities, the department will work to ensure that those who are in need—whether they are disabled, sick or elderly—receive the necessary service to live full and productive lives. On September 1, 2003, TxDOT began contracting with the Health and Human Services Commission and the Texas Workforce Commission for payment of the General Revenue portion of all health and human services transportation. In March 2004, TxDOT officially began management of the day-to-day operations of the Medical Transportation Program. All 169 Full Time Equivalent positions, contracts and call center operations from the program transferred to TxDOT. The transition was seamless, without disruption of service to clients or loss of employees.

In an effort to provide improved, more efficient mobility for all Texans, TxDOT is developing a new business plan for public transportation. The plan will help the department address new responsibilities to blend health and human services related transportation functions with traditional public transportation services. TxDOT has hired the KFH Group, a company that has performed transit planning in numerous states. The business plan will function as a guide in achieving cost effective use of all resources, greater operational efficiencies to provide improved services and better communication with Texas' public transportation users.

Manage It

Texas Mobility Fund – The Texas Mobility Fund will enable TxDOT to build highways, rail and public transportation projects that reduce congestion, improve safety and expand economic development across the state faster. By issuing bonds backed by the Texas Mobility Fund, new revenue will be generated to supplement the traditional "pay-as-you-go" method of funding highway projects. For example, the money put into the Texas Mobility Fund will likely support an issuance of $2.5 to $3 billion in bonds.

Pass-Through Toll Agreements – Pass-through toll agreements represent an innovative partnership between local governments or private entities and TxDOT. These agreements allow for local government or private entities to fund improvements on the state highway system, while TxDOT reimburses the project sponsor through a fee based on the number of vehicles using the highway over time. Drivers never pay a toll; TxDOT does it for them as it counts the cars that pass by. See the map on pages 26 and 27 for a list of communities interested in this program.

Texas Highway Safety Bonds – Thanks to the authors of the legislation, Senator Steve Ogden and Representative Joe Pickett, these bonds are new voter-approved financing tools that allow TxDOT to pay for highway projects through debt backed by existing fuel tax and vehicle registration fees for debt service. TxDOT may issue up to $3 billion in bonds, with a maximum of $1 billion in any one year. Twenty percent of these funds must go to safety projects.

Regional Mobility Authorities – Subject to the approval of the Texas Transportation Commission, a single county or multiple counties can form a Regional Mobility Authority (RMA) to construct, operate and maintain toll roads in their area(s). Toll road construction can be paid for by selling bonds and using toll fees to retire the debt. Any surplus revenues generated from the toll roads can be used to fund other highway, rail, aviation or pedestrian projects. RMAs allow local areas to expedite projects that provide mobility and safety benefits to their constituents. A list of all the new RMAs can be found on pages 26 and 27.

Objective 2: Improved Safety

Goal: Reduce the fatality rate on Texas roadways by five percent within ten years.

Measure of Progress since 2002: Recorded fatalities per 100 million miles traveled, according to the National Highway Transportation Safety Administration's (NHTSA) National Center for Statistics Fatality Analysis Reporting System.

Result: The fatality rate was essentially unchanged from 2001 to 2002, at 1.7 fatalities per 100 million miles traveled. Actual fatalities in Texas in 2002 were 3,725 and in 2001 were 3,736. However, in 2003 fatalities declined further to 3,675, the largest decline among all states.

Challenges

Inadequate and inferior safety data

Texas is suffering from a 2.5 year backlog of data and maps regarding accidents and crash data. Accurate and timely capture of data is essential for transportation planning, management and prioritization to receive federal funding. In addition, the 2001 Motor Vehicle Traffic Accident Data Report that was released by the Department of Public Safety in February 2004 has no direct linkage with TxDOT, local and county law enforcement, or the Department of Health records to track traffic crashes and fatalities.

Injuries and fatalities
The NHTSA has reported that Texas has the highest number of fatigue-related accidents in the United States. A rested driver is more alert and is better able to react to the inherent risks associated with operating a vehicle.

Movement of hazardous shipments through population centers
Texas ranked second behind Illinois in terms of the number of Hazmat incidents in the United States. According to the U.S. DOT HAZMAT Summary by Incident Report for 2003, the state of Texas had 1,228 reported hazardous material incidences. Of these, three resulted in major injuries and eight in minor injuries. There were no fatalities. Damages accounted for $5,179,792. Highway incidents accounted for 1,096 (almost 90 percent) of the accidents. Two of the incidents resulted in major injuries and seven resulted in minor injuries. Damages were estimated at $3,904,859.

The NHTSA has reported that Texas has the highest number of fatigue-related accidents in the United States.

Meeting the Challenges

Build It

Super Twos – To improve safety on rural two-lane highways, TxDOT has designed the "Texas Super Two." Intermittent passing lanes are added to two-lane rural highways in an effort to encourage drivers to wait to pass slow moving vehicles safely in these two-lane sections. The "Texas Super Twos" not only save lives, but also save the billions of dollars it would cost to convert two-lane rural roadways entirely to four lanes.

Use It

Safe Routes to Schools – TxDOT's Safe Routes to School program has contributed $5 million to help pay to repair and expand sidewalks, improve street-crossing safety, separate pedestrians and bicycles, and upgrade bicycle lanes. This program is made possible through the federally funded Statewide Transportation Enhancement Program and will help to get students to school more safely in the coming years. Additional funding may be forthcoming once Congress finalizes the 2004-2009 Federal Surface Transportation Program.

Click It or Ticket – TxDOT's 2003 Click It or Ticket campaign together with law enforcement helped raise safety belt use in the state's urban areas to nearly 90 percent—the highest since the implementation of the safety belt law in 1985. For each percentage increase in safety belt use, 25 lives are saved and almost 600 injuries are prevented each year.

At-Grade Rail Crossing Work – To reduce the number of people killed at at-grade rail crossings, TxDOT added 125 guard crossings to warn motorists of oncoming trains.

Truck Restricted Lanes – In 2003, TxDOT and counties were given authority to restrict large commercial trucks to certain lanes in an effort to improve safety and use highway capacity more efficiently. Houston has experienced success with this strategy and Austin is planning to institute it.

Data Collection (CRIS) – Thanks to the leadership of Senator Steve Ogden, in October 2003 TxDOT and the Department of Public Safety (DPS) selected IBM Global Services Team to create the Texas Crash Records Information System (CRIS). The contract is worth $9.2 million in total. IBM will use a Web based application that can receive information in electronic form, as well as traditional paper format. The system will also be able to be accessed remotely as

opposed to the current system where microfilm data access was only provided at two sites. The system will provide management and analysis tools that will allow TxDOT and DPS to analyze traffic crash data and provide solutions to ensure that Texas roads become safer. CRIS will help TxDOT and DPS identify dangerous locations and take safety measures such as re-grading roads, adjusting speed limits or changing signage. TxDOT has also developed an action plan to track traffic crashes and fatality records across agencies such as DPS, TxDOT, local and county law enforcement and the Department of Health.

Maintain It

Brifen Barrier Cable – The installation of the Brifen Barrier Cable as a median barrier resulted in lives saved only three months after its implementation in the Fort Worth area. This special cable barrier costs about 25 percent less and can be installed in about ten percent of the time of traditional concrete barrier walls. This new product, called the Brifen Wire Rope Safety Fence, is a system of four cables connected by collapsible steel posts. When a vehicle strikes the barrier, the cables interact to absorb the energy and control the impact. The product has been used in more than 30 countries since 1989, and as of last year, no fatalities or cross-median crashes had been recorded where the cable system was in place.

Safety Rest Areas – Texas has 94 safety rest areas that enhance traveler comfort and safety and help drivers to fight fatigue. Safety rest areas were originally developed in the 1930s as roadside picnic areas. The Federal Highway Beautification Act of 1965 provided funding for safety rest areas and Texas established as many rest areas as possible with this limited funding. Many of these rest areas

Brifen Barrier Cable

The installation of the Brifen Barrier Cable as a median barrier resulted in lives saved only three months after its implementation in the Fort Worth area. This special cable barrier costs about 25 percent less and can be installed in about ten percent of the time of traditional concrete barrier walls.

are now in disrepair and in April 1999 the Transportation Commission approved an extensive program to renovate, build or relocate safety rest areas. The design of these upgraded rest areas takes into account many different factors, including convenient parking (with trucks and RVs separated from car parking in some rest areas) and clean restroom facilities. The newer structures, however, offer much more and include telephones, walking paths, sheltered picnic arbors and road and weather information through information kiosks. Many of the new facilities have incorporated traditional architecture and landscape features native to the area and some will be re-sited at scenic or historical sites. The rest area sites are designed to harmonize with the environment and to minimize environmental impact. Some sites include demonstration projects on renewable energy, wireless internet access and alternative water/wastewater treatment and disposal facilities.

The cost to maintain and preserve the system exceeds all the revenues from the state fuel tax. Fuel efficiency, inflation and an aging system with more volumes and weight than in the state's history has finally caught up with us. To address these needs, the Texas Metropolitan Mobility Plan guarantees metropolitan areas steady and predictable funding from the available revenues.

Robert L. Nichols, Member
Texas Transportation Commision

Manage It

Texas Highway Safety Bonds – In December 2004, Governor Perry and TxDOT announced the first round of safety projects funded with these bonds (described on page 9). The Texas Transportation Commission subsequently approved approximately $600 million in new work. Drivers throughout Texas will benefit from new left turn lanes, median barriers, grade separations and pavement widening.

Objective 3: Optimal System Preservation

Goal: Ensure that 90 percent of Texas' roads and 80 percent of bridges will be in good or better condition within ten years.

Measure of Progress since 2002: Statewide Maintenance Assessment Program condition score and bridge inspection scores. (Source: TxDOT's Pavement Management Information System and Bridge Inspection Database)

Result: The maintenance assessment score (a composite index combining several aspects of maintenance) is expected to be unchanged at 80 percent through FY 2009 while the percentage of bridges rated good or better is expected to increase from 77 currently to 80 by 2009.

The state highway system comprises over 79,000 miles on which Texas motorists drive 429 million miles daily. The condition of Texas roads is thus perceived daily by the traveling public. Road condition is affected by wear and tear (increased vehicle and freight traffic), climatic conditions and general aging. Effective maintenance is essential to ensure Texas' roads are in good condition and to prevent costly reconstructions. For example, an asphalt overlay, which is applied every 10-12 years on less traveled highways, costs up to $35,000 per lane mile compared to the total rebuilding of a roadway that can cost up to half a million dollars per lane mile. In FY 2004, TxDOT will spend 27 percent of its budget to manage, plan and use the Texas transportation system, 41 percent on maintenance, and 33 percent on construction. This represents a shift from prior years when construction expenditures outpaced maintenance expenditures.

In August 2001, the Texas Transportation Commission set a ten-year statewide goal to have 90 percent of Texas pavement lane miles in "good or better" condition by FY 2012. In the first year of the ten-year plan, the percent of roads in "good or better" condition improved from 84.22 percent (FY 2002) to 85.28 percent (FY 2003). This improvement marks the highest in three years for the four main components of the highway system. Because of the improvement in the road conditions, the funding needed to repair all "substandard" Texas pavements decreased from $1.88 billion in 2002 to $1.70 billion in 2003. Of that amount, $1.38 billion would represent rehabilitation needs and $325 million would be used for preventative maintenance.

Of Texas' 48,200 bridges, 75 percent were classified as sufficient, six percent were structurally deficient, 15 percent were functionally obsolete, and four percent were

sub-standard for load-only bridges (this means they are not structurally deficient or functionally obsolete but do not have the capacity for maximum load as permitted by state law). TxDOT uses maintenance funds to ensure that bridges that receive low safety inspection ratings do not become structurally deficient. In FY 2003, TxDOT distributed $78.8 million for "on-system" bridge maintenance, compared to $57.2 million in FY 2002 and $57.6 million in FY 2001. Funding from the Federal Highway Bridge Replacement and Rehabilitation Program (HBRRP) is used to fund bridge repair projects on a matched basis. As of September 2003, $138.8 million of the available funds had been obligated for use on structurally deficient and functionally obsolete bridges (sub-standard for load-only bridges are not eligible for HBRRP funding). Because of the limited amount of HBRRP funding, the use of additional funding categories is needed for bridge repair and maintenance.

Challenges

Increased traffic on an aging system

Vehicle miles traveled (VMT) in Texas is predicted to increase greatly over the next decade. VMT in Texas increased approximately 73 percent over the past 20 years to 216.5 billion vehicle miles traveled in 2002. It is estimated that the VMT in Texas may reach 320.8 billion by 2022. Freight movement by trucks is estimated to increase by 65 percent from 2002-2022. This all leads to increased wear and tear on Texas roads.

Meeting the Challenges

Build It

The "Behrens Bridge Program" – The Behrens Bridge Program has resulted in the improvement of 127 deficient bridges and an additional 192 structures have been earmarked for improvement by local governments. The program leverages the funding available to local governments for bridge repair. It does this by a ten percent local match (required as part of the Federal Bridge Replacement Program) if the local government spends an equal amount on other deficient bridges of their choosing in the area.

Maintain It

Statewide Preservation Program – In May 2004, the Texas Transportation Commission approved the Statewide Preservation Program. This will distribute $7.5 billion to maintain highways and right of way; $1 billion will be used for bridge replacement and rehabilitation; $377 million for grade separations at highway/rail crossings; and $5.5 million for rail. Overall spending on maintenance and preservation of the state's system will increase by three percent from the 2004 program.

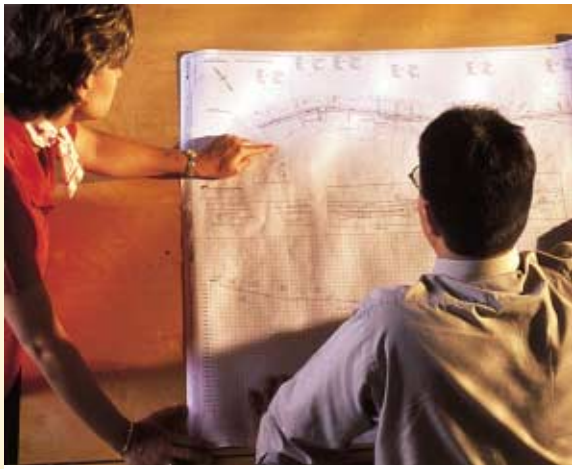
Bridge Program in General – TxDOT experts inspect Texas' 48,200 bridges every two years to make sure that they are safe to cross and properly maintained. In addition, divers inspect the underwater supports and columns every five years. In 2003, TxDOT rehabilitated or replaced 858 bridges and built 306 new bridges.

Bridge Management Information Software – TxDOT is creating an automated system to facilitate the management of its on- and off-system bridges. Bridge Management Information Software will store inspection details and will allow TxDOT to forecast bridge maintenance, review inspection management and bridge replacement decisions, and monitor the impacts of alternative bridge management strategies.

Roadway Maintenance in General – TxDOT is using the optimal paving techniques, given traffic demand, to ensure the state's roads are maintained efficiently. Those techniques include seal coats, asphalt overlays and reconstruction. In 2003 alone, TxDOT resurfaced nearly 27,000 lane miles (14 percent) of the state highway system.

Accelerated Project Delivery

Unlike the traditional method of having individual contracts for separate phases of a project, a Comprehensive Development Agreemant (CDA) combines several elements into one contract.



Maintaining Texas Airports – TxDOT has embarked on a number of innovative programs to maintain and improve the safety of Texas airports, including: (a) grants of more than $70 million to local governments to improve publicly owned general aviation and reliever airports; (b) matching funds of nearly $1.5 million to general aviation airports through TxDOT's Routine Airport Maintenance Program; and (c) TxDOT's Adopt-an-Airport program that guides volunteer groups in keeping their community airports attractive.

Objective 4: Accelerated Project Delivery

Goal: Improve project delivery from conception to ribbon cutting, on average, by 15 percent within five years.

Measure of Progress since 2002: Reductions in the overall average project planning, design and construction timeframes.

Result: Early-completion incentives paid out to construction contractors in 2002 were $158,500 and increased to $612,080 in 2003.

Challenges

Urban congestion demands better project delivery
Between 1990 and 2000, Texas motorists suffered 2.6 billion hours of delay at a cost of $45.6 billion. However, construction in urban environments where most of the congestion exists has become more difficult. Right of way (ROW) and utility costs are greater. Workspace is minimal, and work zones add to motorist delays.

Inflexible laws and processes
Initiatives have been undertaken nationally to streamline environmental processes and to accelerate permits, but the planning phase of projects still consume a significant portion of project delivery time. ROW acquisition also consumes significant time. Disputes are being resolved through administrative panels, but legally required waiting periods extend eminent domain proceedings.

Meeting the Challenges

Plan It

Toll Conversion – New legislation (HB 3588) allows TxDOT, in consultation with localities, to convert existing non-tolled roads to tolled status.

Simplified Project Selection Process – The process for selecting projects has been significantly simplified. Funding categories have been reduced from 34 to 12, and districts have been given greater discretion in determining which projects to develop.

Build It

Prefabricated Bridge Structures – TxDOT is developing a prefabricated bridge system that will dramatically reduce overall construction time, enhance safety and improve quality of the finished product. Prefabricated bridge elements can be constructed off site, away from traffic and then brought on site and quickly placed in position, thus minimizing traffic disruptions. Prefabrication provides better quality, and also increases worker safety by reducing exposure to traffic during construction.

Lane Rental – To encourage contractors to minimize disruption to traffic due to lane closures, TxDOT is now using a contract provision on select projects to charge contractors a lane rental fee. The fee varies with time of day, being highest in peak usage morning and afternoon hours and lowest at night.

Comprehensive Development Agreements – Comprehensive Development Agreements allow for the combination of several aspects of a toll project, such as planning, design, construction, financing, maintenance, operation and management, into a single contract. In the past, individual contracts existed for each phase of a project. Now construction can begin on one part of a project while design work is being undertaken on another part. This will reduce the cost of completing toll projects and ensure the road is open to the public sooner.

Use It

HOV and HOT lanes – High occupancy vehicle lanes have been installed on some Houston and Dallas arterials and may be adopted in other metropolitan areas where they can reduce congestion. Where high occupancy demand does not match the capacity of the lanes, they may be tolled (HOT), to raise revenues and increase the capacity on those urban routes from which traffic has been diverted.

Manage It

Toll Equity – TxDOT is now able to contribute toward the financing of toll projects to make bond financing feasible. This option leverages limited state funds to allow projects to be built sooner, while lowering the debt burden on a project, which makes it more likely that investors will receive returns on their investment.

Objective 5: Economic Vitality

Goal: Attract and retain businesses with transportation systems that are adequate, safe and secure.

Measure of Progress since 2002: Growth in the Gross State Product (GSP). (Source: Office of the Comptroller)

Result: Texas' Gross State Product (in 1996 dollars) increased from $712.3 billion in 2002 to an expected $762.6 billion in 2004, an increase of 7.1 percent. The forecast is for the GSP to increase to $861.6 billion by 2007. As of February 2003, Texas added 2,488,400 non-farm jobs since January 1990, representing an increase of 36 percent. Texas now accounts for 7.3 percent of total U.S. employment, up from 6.4 percent at the start of the decade. Texas leads all states in net job creation since 1990, and this growth is broad-based. Texas ranks among the leading states in nearly all major economic sectors in job growth. While manufacturing jobs have declined nationally since January 1990, Texas has the second largest number of people employed in manufacturing, surpassed only by California.

The main challenge is to maintain the state's economic competitiveness, both nationally and globally, by offering an efficient multi-modal transportation system that meets the needs of users. Much of the national trade moves by truck, but international trade is multi-modal and requires a different set of transportation needs. The department has strengthened its multi-modal operations, paying particular attention to rail and deep-water port activities.

Since the Texas economy benefits from NAFTA, policies must be continued that strengthen the state's role. The preeminent position of the state in U.S.-Mexico trade presents a challenge that must continue to be met by the department. International trade is also growing among the state and Latin America and Europe, and networks across the state—particularly rail—carry substantial volumes of containerized international goods moving from China and other origins in the Far East. Such trade moves on so-called supply chains which are constantly being evaluated by logistics companies. The department intends to maintain the competitiveness of the Texas elements of those supply chains so that the state can continue to benefit from the trade that occurs.

Safe and efficient transportation contributes to economic development. A vibrant economy requires on-time and cost-competitive delivery of freight, access to jobs, schools, medical care, shopping and recreational opportunities. The transportation system affects how quickly goods get to market, how attractive an area is to investors and how large the market area is for a particular business. Proper management of the transportation system is an important component of economic vitality. The Texas transportation system is a major facilitator of the $50 billion (adjusted for inflation) increase in gross state product between 2000 and 2003.

Challenges

Global Economic Competitiveness

Texas is in the enviable position of supporting a number of critical international freight corridors that drive key state and federal economic sectors. The Trans-Texas Corridor will augment existing freight lanes and enable goods to be moved efficiently and conveniently among international markets. Continuing support needs to be given to multi-modal planning in TxDOT and to the development of innovative partnerships with all transportation providers—rail, truckers, marine ports and airports—in the state.

Produce and Protect Jobs

Texas demographics indicate a substantial increase in state population in the coming decade which requires the creation of many new jobs. As demonstrated at the Alliance Fort Worth Inland Port, logistics and manufacturing, when based on strategic locations on international and national supply chains, can generate substantial numbers of jobs. TxDOT will do its utmost to support the creation of good paying jobs in transportation related activities and by supporting the strategic advantages offered by locating businesses on such corridors within the state.

Regional Economic Development

This remains a critical objective of state government and TxDOT will provide a transportation plan that is able to support the various programs and opportunities for economic growth. In urban areas, this centers on encouraging regional solutions of existing and tolled facilities tailored to meet specific local needs. In rural areas, this

supports maintenance of the existing system and the improvement of transportation corridors. These will involve a variety of modes and require partnerships with the private sector.

Transportation Drives The Economy

A vibrant economy requires on-time and cost-competitive delivery of freight, access to jobs, schools, medical care, shopping and recreational opportunities. The transportation system affects how quickly goods get to market and how attractive an area is for a particular business. The Texas transportation system is a major facilitator of the $50 billion (adjusted for inflation) increase in gross state product between 2000 and 2003.

Meeting the Challenges

Plan It

Trans-Texas Corridor – The importance of transportation corridors in trade is explicitly recognized in TxDOT's planning. Research sponsored by TxDOT in the 1990s identified the nature of the corridors associated with NAFTA traffic and how the importance of transportation corridors is now being recognized at a federal level. Maintaining efficiency and effectiveness of the trade transportation corridors in Texas will help support that part of the Texas economy which is dependent on international markets.

Inland Ports – "Inland ports" are transportation hubs that are strategically located near metropolitan areas and global transportation corridors. They are multi-modal and when large, create both employment and opportunities for associated services. This is best exemplified in the case of Alliance Fort Worth which is an internationally recognized inland port operating at a high level of efficiency. Inland ports may act as the connectors to the Trans-Texas Corridor as this comes into being, and as such may have important regional economic benefits to the communities to which they serve.

Connectivity to Air Service and Ports – The portion of U.S. merchandise carried by air is now around 27 percent, placing a responsibility on the department to ensure appropriate connectivity to Texas airports handling air freight. The issue of connectivity to large airports in the state is an important objective in the department's transportation planning and is likely to grow in the future as more air freight is handled through dedicated air freight facilities like that at Alliance. These play an important part in the vitality of the Texas economy, carrying a wide range of domestic and international products. TxDOT has undertaken a project evaluating the landside needs of such ports, supported by the plans offered by the individual ports. As an example, the Port of Beaumont is evaluating improved rail access to the port as part of its attempts to increase efficiencies.

In August 2004, the Transportation Commission approved funding to improve transportation infrastructure around Fort Bliss and Fort Hood in anticipation of already scheduled manpower increases at those two posts.

Access Management – To ensure proper access management (efficient and safe access to major highways from smaller roads), the Texas Department of Transportation works with local municipalities on the construction of connections to state highways. The department provides manuals for access management and encourages cities to develop their own access management plans, based on the state guidelines. By working with municipalities, TxDOT can ensure that access to the state highway system promotes business development and an efficient transportation system.

Partnership with Military Bases – The department immediately undertook a review of the highway infrastructure following the tragic events of September 11, 2001, and is now positioned to contribute to an overall transportation system security program which would involve a variety of modal centers.

Our nation's military depends on the states to maintain the road system on which it mobilizes. The military relies on this system for peacetime movement of military shipment, as well as for wartime or emergency mobilization and deployment of military units.

The Texas Department of Transportation is working cooperatively with military base and post commanders in providing for the needs of military deployments across the state. In addition, the department's local district engineers meet regularly with military base commanders to determine the off-base transportation connectivity needs of military installations. District engineers work with base commanders as they do with other local entities for the provision of safe and efficient transportation. It is the policy of the Texas Transportation Commission to consider increased efficiency on military deployment routes when selecting Strategic Priority projects for construction.

A further discussion of the Commission's criteria for obligating Strategic Priority funds can be found on page 24.

Military bases contribute greatly to the economic well-being of many communities throughout the state. The efficiency of deployment routes is one important feature the Department of Defense examines when it reconfigures its infrastructure to meet present and future national security needs. The department acknowledges its role in preparing for the next round of Base Realignment and Closures, and has emphasized its importance to all district engineers.

One example is the Abilene District. The district is working with the City of Abilene and the local metropolitan planning organization to address the connectivity issues associated with Dyess Air Force Base and I-20. The district has developed a preliminary plan for the improvements and is working on a financial strategy. One possible solution may include the use of pass through tolls to fund this important project.

With the Department of Defense looking at bringing as many as 100,000 U.S. troops back to the United States from bases in Europe and Asia over the next decade, Texas stands to gain thousands of soldiers. In August 2004, the Transportation Commission, at Governor Perry's request, approved funding to improve transportation infrastructure around Fort Bliss and Fort Hood in anticipation of already scheduled manpower increases at those two posts. This was followed in September by a $13 million commitment to the Red River Army Depot. Given the large economic impact connected to increases in military personnel in the state, TxDOT is committed to working with military leaders to provide the infrastructure necessary to support America's

defense interests. A good relationship between TxDOT and Texas military commanders will be even more important when the Defense Department begins a new round of base closures across the nation in 2005.

Build It

NAFTA Trade Infrastructure – NAFTA trade continues to be a significant element in the Texas economy and creates substantial employment both directly and indirectly. Mindful of the importance of NAFTA, TxDOT has embarked on a series of measures to support efficiencies on the transportation systems that link Mexico to the state. In anticipation of the border with Mexico opening to Mexican trucking, TxDOT has successfully obtained funding for eight Department of Public Safety truck inspection stations at the largest ports of entries on the border. These will make safety checks on Mexican domiciled trucks entering the state and thus ensure that Mexican trucks operating within the state meet the same standards set for U.S. based equipment.

Strategic Direction

Since TxDOT submitted its last strategic plan, the most significant transportation legislation in the history of Texas—HB 3588—was passed by the 78th Legislature and signed into law by Governor Rick Perry. Not since 1917, when the state got into the road-building business, has there been such an opportunity to improve our transportation infrastructure.

Many brand new tools are available not only to TxDOT, but more importantly, to local officials (see map on pages 26 and 27). New and existing tools provide faster project delivery, create new transportation models, make our roadways safer and offer outstanding maintenance programs. When local, community and state leaders take advantage of these opportunities, we can strengthen our economy, protect our environment and provide the quality of life that Texans expect and deserve.

Influences

Among the most significant influences shaping the direction the Commission will take in the next four years are:

Resources do not meet demands

Today's state road system does not pay for itself. Since 1993, the purchasing power of the gas tax generated for every mile driven has dropped 34 percent. Maintenance and construction costs rise with inflation but the gas tax does not (it is a fixed 38.4¢ per gallon).

The gas tax simply has not kept pace with the vehicle miles traveled on our roads. And with cars becoming more and more fuel efficient, it never will. Fuel efficient cars cause congestion just like any other, but pay less to use the system. The bedrock of the state's transportation financial system is deteriorating and the most prudent course of action is to find alternatives.

Federal Funding Limitations

As Congress reauthorizes the Transportation Efficiency Act for the 21st Century (TEA 21), Texas will pursue a higher rate of return on its gas tax dollars. However, the added money that may be realized will not be the financial remedy some expect or have been promised. No matter how high the rate of return may ultimately rise, there are not enough federal funds to meet the mobility needs in the state. Texas cannot wait while Congress debates percentages. With this understanding in mind, Governor Perry and the Texas Transportation Commission will continue to advocate for funding flexibility. The Texas Legislature understood long-range solutions when it created HB 3588 and it is important that the federal government match that resourcefulness.

PART 3

Congestion

The overall trend in Texas is that congestion is rising. Texas urban drivers, and all drivers through Texas, are constantly reminded of the problems of congestion: long delays, idling cars and trucks, and the associated emissions concerns. Travel and commute times are increasing nationwide and Texas is not immune.

Safety

In 1966, motor vehicle traffic crashes nationally claimed the lives of 50,894 people, 5.5 deaths for every 100 million-vehicle miles traveled. To reduce the number of motor vehicle crashes, fatalities and injuries on the nation's highways, Congress passed the National Highway Safety Act (NHWSA), authorizing federal traffic safety grants to states. The Texas Traffic Safety Act of 1967 was enacted by the Legislature to provide authority for Texas to carry out the direction of NHWSA.

Death and injury on Texas highways have been greatly reduced since 1967, but much remains to be done in educating the public and assisting in modifying driver behaviors to further reduce the carnage. While the trend is generally downward in Texas, we will remain vigilant in our efforts to bring the accident rate to the lowest possible level.

Escalating costs

In December 2002, the Commission insisted that the Unified Transportation Program—the master plan for developing and building projects—be adjusted to reflect true costs. Projects tended to get into the pipeline with one cost estimate but when it came time to build them, the

Think Big, Plan Large, Execute Huge

House Bill 3588 will help Texas take the national lead in providing progressive transportation solutions that will break gridlock, reduce pollution, remove hazardous vehicles from our population centers, create jobs and improve our quality of life.

Governor Rick Perry
June 19, 2003

price would have escalated. The cause was not only inflation, but unexpected environmental situations and "scope creep" (meaning the size of the project had grown).

This correction produces two results. One is that projects are more realistically priced and constrained based on accurate cash flows; creating a clearer vision of reality. The second is that the ten-year program now has to be extended to 15 years.

The North American Free Trade Agreement (NAFTA)

NAFTA remains a good idea, but it came with a price that Texas was left to pay. Our border communities rightfully pointed out that this would have a massive impact on their local transportation infrastructure. And it did.

Then-Lt. Governor Rick Perry and former Commission Chairman David Laney announced in October 1999 a plan to accelerate border trade transportation infrastructure improvements. The result was a $1.8 billion acceleration of projects along the border.

TxDOT is now in the fourth year of that ten-year program, but the price has escalated to $2.4 billion, a 34 percent increase. TxDOT has gone to contract with $865 million and the Commission has made a commitment to fund these projects through to completion. The money, however, came from existing resources; the metropolitan areas of the state subsidize this expansion in border infrastructure.

Direction

Our challenge now lies in keeping our commitments, facing new realities and fully realizing the promise of HB 3588, with all the opportunities it offers. The Commission and the agency are fully committed to the task. The broad areas the Commission will emphasize when allocating resources will include:

The rising role of regions

This Commission has clearly signaled its intentions that regions are in the best position to address their own transportation needs. Nowhere is this more evident than in the new Regional Mobility Authorities (RMA) that have either been formed or are being formed. RMAs have several options for generating revenue. They may issue revenue bonds and collect tolls. A segment of the state highway system can be converted to a toll road and transferred to an RMA by the Texas Transportation Commission. Surplus revenue from tolls is controlled by an RMA, providing local officials with new financial streams for other transportation projects in the area.

Intrastate Connectivity

The Trans-Texas Corridor will allow for much faster and safer transportation of people and goods. It will relieve congested roadways. It will keep hazardous materials out of populated areas. It will help improve air quality by reducing emissions and provide a safer, more reliable utility transmission system. It will keep Texas' economy vibrant by creating new markets and jobs.

Four corridors have been identified as priority segments of the Trans-Texas Corridor. These corridors parallel I-35, I-37 and I-69 (proposed) from Denison to the Rio Grande Valley, I-69 (proposed) from Texarkana to Houston to Laredo, I-45 from Dallas-Fort Worth to Houston, and I-10 from El Paso to Orange.

Texas Mobility Fund

Created by the Texas Legislature and voters in 2001, the Texas Mobility Fund was capitalized in 2003 with revenues derived from certain traffic fines. Next biennium it will be funded with fees associated with drivers' licenses and automobile inspections. The Commission will allocate this $2.5 - $3 billion resource with an eye toward creating infrastructure that reduces congestion and can financially sustain itself.

What would an increase in the state gas tax buy?

Each penny increase in the state fuel tax brings about $104 million annually to the state transportation system. Here's an idea of what different increases would buy at current construction and maintenance costs.

NOTE: The items "bought" are not cumulative.

A 1¢ increase...	...raises $104 million.	Would eliminate the gap between what's spent on highway maintenance and what the state motor fuels tax brings in.
2¢...	...raises $208 million.	Buys just one I 30 - I 35W interchange in Ft. Worth ($173 million).
3¢...	...raises $312 million.	Buys just one "High 5" interchange in Dallas ($261 million).
5¢...	...raises $520 million.	Buys only a 30-mile light rail line from Austin to Leander.
10¢...	...raises $1.04 billion.	Builds just the first 90-mile phase of SH 130 (Georgetown to Seguin, $1.4 billion).
20¢...	...raises $2.08 billion.	Would reimburse Houstonians for just one year's cost of congestion ($2.1 billion).

Simplification of the Unified Transportation Plan (UTP)

The UTP grew over time not just in the number of financially escalating projects, but also in the number of funding categories. Because of previous Commission initiatives, changes in federal law and actions at the Texas Legislature, ultimately 34 funding categories evolved. Transportation professionals at the Metropolitan Planning Organizations (MPO) and in the districts spent more time moving money than they did moving drivers. The Governor insisted that this be reduced to a usable scale so planners in Austin could figure out where the money comes from and the districts and MPOs could figure which projects were the best. After a great deal of public discussion, the 34 categories were condensed into 12, making the process much easier to understand from both the inside and the outside.

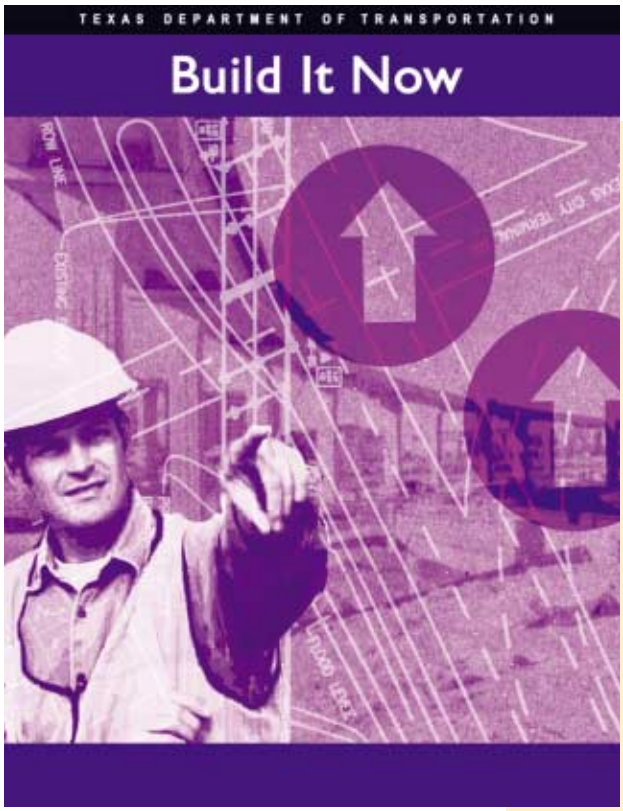
Once the Commission simplified the funding categories, the agency asked local elected officials, MPOs, TxDOT staff and state elected officials to develop the best methods of distributing funds: mobility, preventative maintenance, rehabilitation and discretionary. That's when the real test emerged—they had to decide how to distribute the funds equitably and face the same challenges as the Transportation Commission. In December 2003, the Commission adopted the work group recommendations. These are now being used as the base for a financially realistic 2005 UTP. Two very important things happened when that occurred: (1) funds were distributed based on the needs of a region and (2) the Commission removed itself from the project selection process.

The Texas Metropolitan Mobility Plan

Texas' metropolitan areas are the economic engines of this state. All reasonable transportation planning models suggest that money for mobility enhancement should be spent where the congestion is.

Governor Perry wanted to make certain that the state's metropolitan areas had a reliable source of funding. The Commission honored the Governor's wishes in August 2003 with the Texas Metropolitan Mobility Plan. This is similar to the way the federal government sends highway funding to the states—in predictable streams. However, this is entirely new within Texas. The benefit is that the Commission moved away from picking projects on a case-by-case basis to looking at the needs of an entire area. The Commission will measure the plan by two simple yardsticks: (1) has congestion been reduced and (2) has the area's baseline funding been leveraged?

In November 2004, the Texas Transportation Commission kept its promise and approved a $21.5 billion plan that will help reduce urban congestion and provide statewide highway, aviation and public transportation funding through 2015. A key part of the program is the Texas Metropolitan Mobility Plan, which gives local officials in Texas' largest urban areas more control in the fight to reduce traffic congestion.



The New Guidebook on Accelerating Projects

The question of how long it will take to get transportation improvements started can be replaced with another question–why wait?

This new booklet explains options available to local officials to get needed mobility and safety improvements on the ground faster.

Topics outlined in this booklet fall into four areas: new funding options for communities; expanding roles for local officials and transportation planners; TxDOT's growing authority to develop rail and the Trans-Texas Corridor, and tools to accelerate transportation projects.

The Commission's start-up funding of the Texas Metropolitan Mobility Plan, which incorporates the use of new finance options —including $3 billion in bond proceeds— allows TxDOT to fund $15.4 billion in projects in the state's eight largest metropolitan areas. Through traditional funding only $6.8 billion would have been available. This plan moves 90 percent of the metropolitan mobility projects planned for the next 12 years forward in half the time.

Tolling

Once project-specific revenue bonds are paid, "profits" may exist. Consideration will be given to how communities should leverage these valuable assets into more projects.

Texas Highway Safety Bonds

The Legislature and Texas voters created, through Proposition 14, Texas Highway Safety Bonds. This is not a new source of revenue, but an important new method of financing projects. Currently it allows $1 billion per year for three years, setting aside 20 percent for safety projects.

Strategic Priority Funding

The Texas Transportation Commission annually sets aside a certain amount of discretionary funding through its Strategic Priority program. These funds have been used for projects that fall outside of the normal formula process but were of such significance that exceptions were warranted. In years past, communities would ask the Commission for direct allocations from that program; some years the requests outstripped available funding by five to one. The Commission's recent actions have brought more focus to the use of Strategic Priority funds. The funding is now reserved for true emergencies, substantial economic development opportunities that result in job

creation (e.g., the San Antonio Toyota facility), and for the foreseeable future, as a tool to help the competitive position of the state's military bases in the next round of closings.

We Are Moving Forward

The agency will focus on these matters with the same determination that built almost 80,000 miles of first class roads. Texans will definitely appreciate the positive results. Better highways, safer school routes for children, efficient freight transport, less congestion and cleaner air are only a few of the tangible benefits that Texans will enjoy every time we get in the car, go to the grocery store or just enjoy the outdoors.

The road ahead lies in fulfilling the promise of this new legislation and we will. Through creative thinking and cooperation, Texas has the financial ability to build a system that can support our needs now and into the future. As our state, local leaders and private entities put these tools to work, our roadways will become less crowded and Texans will have an easier time getting where they need to go. A great state needs great transportation and TxDOT will lead the way to ensure that transportation improvements enhance the quality of life for Texans.

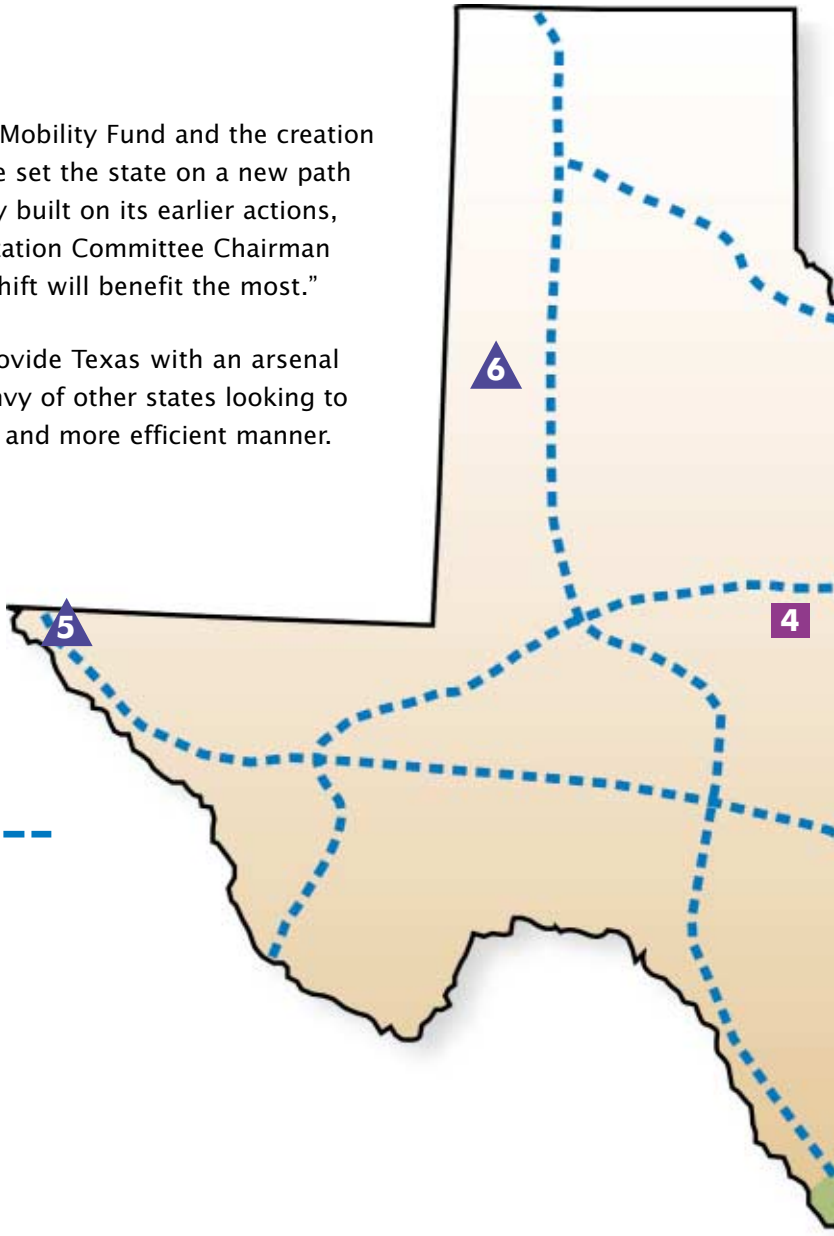
Texas: The New State of Transportation

Think Big, Plan Large, Execute Huge

Starting in 2001 with the establishment of the Texas Mobility Fund and the creation of Regional Mobility Authorities, the Texas Legislature set the state on a new path to deliver projects. In 2003, House Bill 3588 not only built on its earlier actions, it started a revolution. According to House Transportation Committee Chairman Mike Krusee, "Those who are first to recognize that shift will benefit the most."

Texas has stepped on the accelerator. New options provide Texas with an arsenal of dynamic tools—tools that are fast becoming the envy of other states looking to make transportation improvements in a quicker, safer and more efficient manner.

This map illustrates some of the emerging uses of these new delivery methods.



Trans-Texas Corridor Conceptual Route – – – – –

Concept hearings held in all 254 counties

1 26 Regional scoping hearings on the I-35 Parallel Trans-Texas Corridor – – – – –

2 11 Regional scoping hearings on the I-69 Trans-Texas Corridor – – – – –

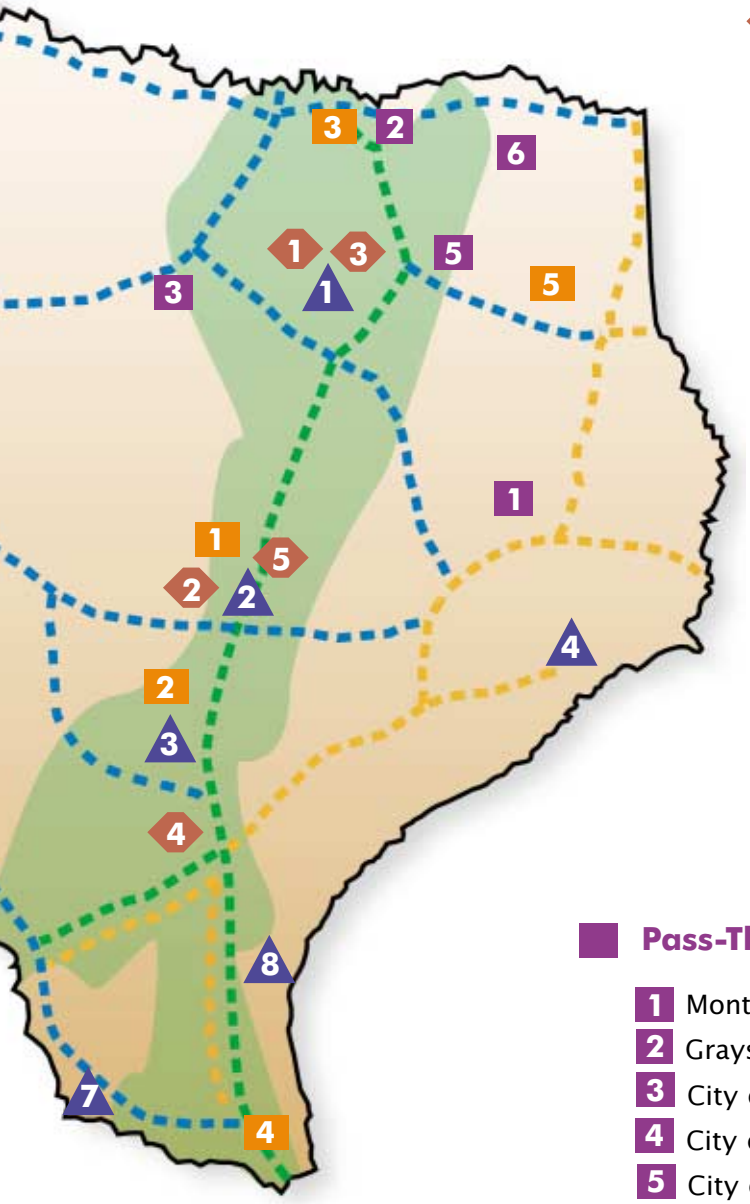
Trans-Texas Corridor 35 Proposal

In December 2004, the Texas Transportation Commission selected a proposal by Cintra—an international group of engineering, construction and financial firms—as the best value for the state in developing the Oklahoma-to-Mexico portion of the Trans-Texas Corridor (TTC-35). Cintra proposes to invest over $7 billion in new state infrastructure designed to relieve congestion and expedite the movement of commerce. Note: the area shaded on the map indicates a general geographic region under study and is not to be considered a final route. Updated information on the study area can be found at **www.keeptexasmoving.com**.

Part 4

Approved Regional Mobility Authorities

1. Central Texas RMA (Travis and Williamson Counties): approved October 2002
2. Bexar County: approved December 2003
3. Grayson County: approved April 2004
4. Cameron County: approved September 2004
5. NE Texas (Gregg and Smith Counties): approved October 2004



Comprehensive Development Agreement Project Proposals

1. I-635 West (LBJ Freeway - Dallas)
2. SH 45 SE (Travis County)
3. I-820/SH 183 (Dallas and Tarrant Counties)
4. Trans-Texas Corridor I-35 Parallel
5. SH 130 (underway in Travis and Williamson Counties)

Texas Metropolitan Mobility Plans

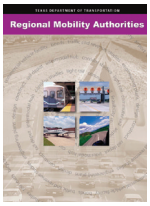
1. North Central Texas Council of Governments
2. Capitol Area Metropolitan Planning Organization
3. San Antonio/Bexar County Metropolitan Planning
4. Houston/Galveston Area Council
5. El Paso Area Metropolitan Planning Organization
6. Lubbock Area Metropolitan Planning Organization
7. Hidalgo County Metropolitan Planning Organization
8. Corpus Christi Metropolitan Planning Organization

Pass-Through Tolling Discussions

1. Montgomery County
2. Grayson County
3. City of Weatherford
4. City of Abilene
5. City of Lindale
6. City of Mt. Pleasant and Titus County

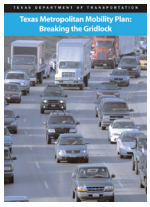
Texas
Department
of Transportation

For Further Information

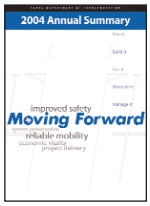


The Regional Mobility Authority (RMA) Handbook describes regional mobility authorities—how they are formed, what kinds of projects they can do, how projects can be financed and operating provisions. It includes a step-by-step process for forming an RMA.
http://www.dot.state.tx.us/txdotnews/RMA_manual_0704.pdf

Build It Now explains options available to local officials to get needed mobility and safety improvements on the ground faster. It outlines expanding roles for local officials and transportation planners, new funding options for communities, tolls to accelerate transportation projects, and TxDOT's growing authority to develop rail and the Trans-Texas Corridor.



The Texas Metropolitan Mobility Plan presents a framework for addressing needs in the metropolitan areas. It describes planning, funding and streamlined project delivery actions, as well as providing background on the Texas Congestion Index.
http://www.dot.state.tx.us/btg/tmmp.pdf



The 2004 Annual Summary provides statistical and anecdotal highlights of TxDOT's budget, as well as efforts to improve mobility and safety, provide maintenance, build relationships, advance customer service, develop the economy and enhance our quality of life.
http://www.dot.state.tx.us/pub/txdot-info/pio/annualsummary2004.pdf

Pocket Facts is your one-stop source for the most frequently requested TxDOT statistics, such as miles of roadway, number of vehicles registered, highway revenues and dollar amount of work under construction/maintenance.
http://www.dot.state.tx.us/pio/sections.htm?pg=pfacts

The State Infrastructure Bank is a revolving loan fund that can grant financial assistance to any public or private entity authorized to construct, maintain or finance an eligible transportation project. The loan history and materials for use in applying for a loan are at this link:
http://www.dot.state.tx.us/moneymatters/sibtoc.htm

The Trans-Texas Corridor is a new multi-modal statewide transportation corridor to move people and goods safely, efficiently and more reliably, improving our quality of life. It is truly the Crossroads of the Americas. For background, updates and news releases, navigate here:
http://www.dot.state.tx.us/ttc/ttc_home.htm

Customer Answer Series is a set of brochures with basic information about buying a used car, moving in Texas, how speed limits are set, work zones and when traffic signals are warranted.
http://www.dot.state.tx.us/pio/sections.htm?pg=broch

"This strategic plan takes into consideration how much it's going to cost us to do the things we need to do. We have a real transportation crisis in Texas, and we're attempting to address it with the tools available to us."

- Chairman Ric Williamson

"The future of transportation is not something you predict, it is something you plan and make happen."

- Commissioner Robert L. Nichols

"The transportation challenges of this great state need to focus on solutions that have multi-modal aspects to them."

- Commissioner John W. Johnson

"These are challenging times in Texas, in particular to transportation. This is also a time of tremendous opportunity. We must continue to be receptive, responsive, inclusive and flexible as we strive to meet the future transportation needs of all Texans."

- Commissioner Hope Andrade

" The Texas Department of Transportation has seen many changes in its 87-year history. With new funding initiatives provided as a result of the constitutional amendments and by the 78th Texas Legislature, the Department will be able to truly span all forms of transportation in moving people and goods. Using these new funding mechanisms along with new methods to deliver transportation projects, as described in the Strategic Plan, makes this an exciting time not only for the Department but also for the State of Texas."

- Commissioner Ted Houghton Jr.

Texas Department of Transportation